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the business of baking. Every baker was required to procure a license and to register his trade-mark, which was stamped on his loaves. A public bake-house was also established, and seems to have been managed in the same way that municipalities control public markets, the bakers renting the stalls from the town and being subject to inspection. As late as 1826, in the annual statement of the city clerk, the following entry occurs in the statement of receipts during the year: "Sales of condemned bread, \$1.87."

WILLIAM O. SCROGGS.

THE GERMAN IMPERIAL INHERITANCE TAX.

The German imperial tax on inheritances (gifts between the living being subject to the same rules) was authorized by an elaborate statute of June 3, 1906, and by administrative provisions of the Bundesrat, June 16, 1906. It is a tax on the distributive shares going to collateral heirs and to forbears. The exemptions, as to classes of heirs and amounts, are as follows: to husband and wife, to legitimate and adopted children and their offspring; to illegitimate children and their offspring, the property being of the mother or of the maternal ancestors; release of debts made in certain cases in view of the debtor's needs; any share of not over 500 marks; not over 10,000 marks to parents and more distant forbears; to persons and their descendants occupying the place of children; gifts of not over 5,000 marks consisting of specified personal belongings willed to specified kinsfolk; bequests to forbears of things given by them to their descendants; gifts of not over 3,000 marks to servants of the donor; and a share going to a family fund as the result of an agreement conditioned on death.

Other inheritances must pay, on amounts up to 20,000 marks, basic rates graded according to relationship,—4, 6, 8, and 10 per cent. The following are the classes:—

- I. 4 per cent.
 1. Father and mother.
 2. Brothers and sisters, and their children, half-brothers and half-sisters.
- II. 6 per cent.
 1. Grandparents and more distant ancestors.
 2. Parents in law and step-parents.
 3. Children in law and step-children.
 4. Descendants in the second degree from brothers and sisters.
 5. Illegitimate children, recognized by the father, and their descendants.
 6. Adopted children and their descendants if the adoption extends to the descendants.
- III. 8 per cent.
 1. Brothers or sisters of parents.
 2. Relatives to the second degree in the collateral line.
- IV. 10 per cent.

Other cases, except gifts for charitable and religious purposes, which pay a flat rate of 5 per cent. without any progression of rate.

In other non-exempt cases larger distributive shares pay rates rising in fifteen classes (the largest class being of shares exceeding 1,000,000 marks) by the one-tenth fold of the basic rates. The progressive rates are as follows: if the share exceeds

20,000 marks, multiply by $1\frac{1}{10}$	400,000 marks, multiply by $1\frac{9}{10}$
30,000 " " " $1\frac{2}{10}$	500,000 " " " 2
50,000 " " " $1\frac{3}{10}$	600,000 " " " $2\frac{1}{10}$
75,000 " " " $1\frac{4}{10}$	700,000 " " " $2\frac{2}{10}$
100,000 " " " $1\frac{5}{10}$	800,000 " " " $2\frac{3}{10}$
150,000 " " " $1\frac{6}{10}$	900,000 " " " $2\frac{4}{10}$
200,000 " " " $1\frac{7}{10}$	1,000,000 " " " $2\frac{5}{10}$
300,000 " " " $1\frac{8}{10}$	

The burden on the 4 per cent. class is further moderated by suspending the application of the progressive scale until the share exceeds 50,000 marks. The tax thus varies from a minimum of 4 per cent. to a maximum of 25 per cent. A complicated device prevents the progressive rate from rising with undue rapidity in cases where the amount is

only a trifle above the limit of the class (*e.g.*, where the amount is 900,005). If the value of the share exceeds the limit of any of the classes, the increase in the tax resulting from the application of the progressive rate is never to be more than one-half the excess of the share above the minimum limit of the class.

Elaborate rules are laid down for fixing the value in case of estates limited for life or for a series of years, and of conditional and uncertain interests; for declaring the tax, for assessing it, and for punishing neglect. If the same real property has been taxed in this way within five years, it is exempt, and, if within five to ten years, the tax is reduced one-half.

The Bundesrat has supplemented the law by still more detailed instructions, including forms for schedules and reports. The law gives evidence of careful elaboration, but, unfortunately, it is on the plan of a German sentence,—every part modifies every other part, and none of it is to be taken too literally until the last verb arrives.

This new departure in German finance is viewed with apprehension in some quarters as giving to a Reichstag elected by popular suffrage a tool for the repression of saving and the weakening of the institution of property. Possibly as a result of this feeling there is still left to the states the whole field of taxation of direct inheritances, and the right to impose such additional rates as it wishes on the objects included within this law.

FRANK A. FETTER.